

P-999/CI-87-697

ORDER MODIFYING NOTICE PROPOSAL AND ESTABLISHING COMMENT PERIOD

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs
Tom Burton
Marshall Johnson
Dee Knaak
Don Storm

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of an Investigation into
IntraLATA Equal Access and Presubscription

ISSUE DATE: December 1, 1995

DOCKET NO.P-999/CI-87-697

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PROCEDURAL HISTORY

On July 21, 1994, the Commission issued its ORDER SETTING IMPLEMENTATION GUIDELINES FOR INTRALATA 1+ PRESUBSCRIPTION in the above-captioned matter. In that Order the Commission established a schedule for the implementation of intraLATA 1+ equal access and presubscription for Minnesota local exchange carriers (LECs) which do not currently provide the service. The Commission also required LECs to submit proposed educational materials for pre-approval by the Commission or its Staff.

On November 3, 1994, the Commission issued its ORDER DENYING REQUESTS FOR RECONSIDERATION, DENYING REQUEST FOR STAY, AND GRANTING EXTENSION OF DEADLINE.

On August 21, 1995, the Commission issued its ORDER GRANTING EXTENSION REQUEST FOR IMPLEMENTING INTRALATA 1+ EQUAL ACCESS IN EVELETH. In that Order the Commission allowed US WEST Communications, Inc. (US WEST) a time extension until June 30, 1996, to implement intraLATA 1+ equal access in the Eveleth wire center of the Company's Virginia exchange. The delay in the deadline, which would otherwise be February 16, 1996, was due to the necessity of replacing a switch. The Commission required US WEST to distribute educational materials to Eveleth subscribers, clarifying that equal access would be available by June 30, 1996, and stating the reason for the delay.

On October 6, 1995, US WEST submitted its proposed customer notice for the implementation of intraLATA equal access. US WEST planned to place the notice as a bill insert in the December billing cycle.

On October 23, 1995, AT&T submitted an alternative proposed customer notice to Commission Staff.

On November 1, 1995, the Department filed written comments and an alternative to

US WEST's proposed notice. The Department also expressed concern regarding the business practices US WEST plans to use as intraLATA 1+ equal access is implemented. The practices were outlined in US WEST's "1+ IntraLATA Equal Access Presubscription Project Minnesota," dated August 30, 1995, and supplemented October 11, 1995.

On November 28, 1995, the matter came before the Commission for consideration.

FINDINGS AND CONCLUSIONS

I. NOTICES TO CUSTOMERS

A. The Parties' Proposals

1. US WEST

US WEST's proposed notice explains that US WEST customers will have the option of selecting a non-US WEST intraLATA interexchange carrier (IXC) starting February 16, 1996. The notice states that no action is necessary if the customer does not want to switch intraLATA IXCs. The notice directs a customer who wishes to switch carriers to contact the carrier of choice. No list of carriers or contact numbers is provided. US WEST's notice states that a change may affect any existing US WEST optional long distance calling plans the customer may have, and may result in a charge.

US WEST's proposed notice includes the required notice to the community of Eveleth.

2. AT&T

AT&T's proposed notice explains that customers may select a company of choice for "local toll calls" beginning February 16, 1996. The insert would include a list of companies available to serve the customer. The notice includes the following statement: "The Public Utilities Commission of Minnesota has adopted this change in order to introduce competitive services benefitting all Minnesota customers."

3. The Department

The Department's proposed notice explains: the concept of LATAs; US WEST's present service monopoly for toll calls within LATAs; and the opening of intraLATA toll calling to competition beginning February 16, 1996. The notice includes a map showing the LATA boundaries in the state of Minnesota.

The notice states that a customer may select a different intraLATA long distance company or obtain a list of alternative providers by calling a certain telephone number.

Finally, the Department's version of the customer notice states that a customer may choose to

change an intraLATA long distance provider, an interLATA long distance provider, or both. The customer should identify the change being sought when dialing the listed number.

B. Commission Action

The Commission finds that the Department's proposed customer notice is the most competitively neutral version presented. With certain modifications discussed below, the Commission will adopt the Department's proposal.

The Department's proposed customer notice is superior to the AT&T and US WEST proposals in a number of ways:

- customers are neither encouraged nor discouraged from changing intraLATA toll providers
- the terms "Local Toll Competition" and "Local Toll Calls" are removed to avoid confusion
- the language is neutral regarding the benefits or disadvantages of competitive services
- a map showing LATA boundaries is included to educate the public on what constitutes an intraLATA call
- US WEST's logo is not included, and there is no discussion of the advantages or disadvantages of remaining with US WEST
- information regarding Eveleth implementation deadlines is excluded--this information would make the notice longer and would not apply to the vast majority of US WEST customers. US WEST should provide the specific required information to Eveleth customers through a message on their bills or through a separate mailing

While the Commission agrees with the basic form of the Department's proposed customer notice, the Commission will modify the Department's proposal in several ways.

First, the Commission will require that US WEST include a list of the names and telephone numbers of all available intraLATA 1+ providers in every notice, rather than a single telephone number to receive further information. A list is the only way that the customer can be assured of receiving complete information; few customers would be willing or able to listen as a telephone representative read the names of up to 146 alternative providers over the telephone. The use of a list rather than a contact number removes any issues of inappropriate responses from the telephone company representative. Unfair preference for any provider can be avoided by rotating the order of the carriers, placing each carrier at the head of the list an equal number of times. The list can and should be targeted to each exchange, according to the providers available in that particular exchange. The list should include all authorized carriers, as of a date certain as close to the printing deadline as possible. All reasonable costs incurred by US WEST

in providing the notice with the list of carriers will be recoverable as costs of providing intraLATA 1+ presubscription.

Second, the Commission will require that US WEST not include in its notice the Department's proposed paragraph regarding customers' selection of interLATA long distance carriers. This language is unnecessary in a notice regarding intraLATA 1+ equal access, and could confuse customers.

Third, US WEST has stated that a notice containing a list would have to be mailed separately from the customer's regular billing, due to the bulk of the mailing and the necessity for rotating the list order. The Commission finds that a separate mailing is preferable and should therefore be implemented, because a customer may be more likely to read it.

The Commission finds that a notice structured in the manner set out in this Order should provide the most competitively neutral information possible to US WEST's customers. The Commission will require US WEST to implement its intraLATA 1+ competition notices to customers accordingly.

II. US WEST'S PROPOSED BUSINESS OFFICE PRACTICES

A. Comments Solicited

The Commission shares the Department's concern regarding the neutrality of US WEST's responses to customer inquiries regarding intraLATA 1+ equal access, as outlined in the Company's filed implementation procedures. US WEST is presently in the unique position of being both the monopoly 1+ intraLATA service provider and a LEC. For this reason, special care must be taken that competitive fairness is maintained as the industry moves toward intraLATA 1+ equal access.

In order to monitor these issues, the Commission will solicit comments on the Company's proposed business office practices. Interested parties should address the following items, as well as any other relevant issues raised:

1. If both the interLATA and intraLATA Primary Interexchange Carriers (PICs) are changed at the same time, should both PIC change charges apply?
2. Should accounts that are currently frozen to an interLATA PIC be automatically frozen to US WEST as the intraLATA PIC?
3. US WEST has indicated it will accept letters of agency (LOA) dated January 2, 1996 or later. Is this acceptable?

4. For new connect orders: US WEST has indicated that it will "attempt to promote US WEST intraLATA services." The list of available carriers will only be provided if the customer asks what other carriers are available. This list will be scrambled monthly. If a customer requests a specific carrier "up front," US WEST will make no attempt to sell US WEST intraLATA service. The interLATA carrier will be negotiated after the intraLATA PIC is negotiated. US WEST will also apparently allow a new customer up to 30 days to make a PIC selection without incurring the \$5.00 PIC change charge. However, the intraLATA PIC request must come from the end user. US WEST has also indicated that if a customer indicates he or she wants an intraLATA PIC other than US WEST, US WEST will refer the caller to that carrier. Are these processes for new connect orders satisfactory?
5. For transfer of service requests: US WEST currently assumes the customer wishes to retain the same interLATA PIC at the new location as the customer had at the old location. For the intraLATA PIC, US WEST will advise the customer whose PIC is not US WEST that US WEST can provide the service. If the customer currently lists US WEST as their intraLATA PIC, no selling will occur. If the customer requests an inter- or intraLATA PIC change, US WEST will negotiate the change. If the interLATA PIC is changed, the charge is \$5.00. If the intraLATA PIC is changed, the charge is \$5.00. If both the inter- and intraLATA PICs are changed, the charge is \$10.00. Is this process for transfer of service requests satisfactory?
6. For stand alone PIC changes: If the customer wants to change the customer's interLATA PIC, US WEST will negotiate the change and issue the service order. If the customer contacts US WEST to change the customer's intraLATA PIC, US WEST will attempt to retain the customer as a US WEST intraLATA customer. If the customer still wants to change from US WEST, the customer will be referred to the carrier of choice to make the change. If the customer wants the PIC changed "now," US WEST will make the change. Is this process satisfactory?
7. Should customers who do not make an intraLATA PIC selection default automatically to US WEST as they do today?
8. US WEST's Center for Customer Service performs the sales function and the Credit Management Centers performs collection and treatment. Both groups have access to customer call detail on an "as needed" basis. All are trained to handle business in an ethical manner, which conforms to the MFJ and US WEST's carrier contracts. US WEST plans to explicitly train its employees on the intraLATA process and stress the company's internal code of ethics. Coverage of ethical behavior is reviewed annually and requires employee signature after coverage. Disciplinary action, up to and including dismissal, is associated with unethical handling of customer information. Customer contact personnel can at no time use the call detail of an IXC to market or promote US WEST products or services. Is US WEST's practice sufficient or should the company be required to establish a separate group of employees for marketing and selling US WEST's intraLATA services with all other business office representatives providing customer service in an impartial manner?

9. If the same carrier is selected to provide intraLATA and interLATA service, the interLATA and intraLATA toll calls will be interspersed on the customer's bill. Should intraLATA and intraLATA toll calls be separated if the carrier is the same?
10. The tagline on the bill will identify the interLATA PIC and the intraLATA PIC using the following text:

The company you have chosen for calls outside the US WEST Communications long distance calling area is XXXXXXXXXXXXXXXXXXXX.

The company you have chosen for calls within the US WEST Communications long distance calling area is XXXXXXXXXXXXXXXXXXXX.

Is this language acceptable?

11. The carriers had requested the ability to issue a blanket Access Service Request (ASR) to establish additional FG-D capacity. US WEST has indicated that specific information is required to establish the additional capacity. Therefore, an ASR and translation questionnaire are required. Is US WEST's response satisfactory?
12. All calls to directory assistance made by dialing NPA-555-1212 go to a US WEST long distance operator in all US WEST regions because the RBOCs own that number. When a customer who does not have US WEST as the customer's intraLATA PIC calls to directory assistance, US WEST will ask who the customer's intraLATA PIC is and refer them to their PIC'd carrier. If the customer does not know who the customer's PIC is, the customer will be referred to the 700 verification number. If the end user does not want to call the 700 number and requests that US WEST handle the call, US WEST will do so, using the US WEST network. Is this handling of directory assistance calls reasonable?
13. Since this matter has been the subject of two contested cases and one judicial review, would, or should, a Commission decision on whether US WEST's business office practices are in compliance with earlier Commission Orders be subject to reconsideration since reconsideration could effectively delay the Commission's earlier ordered implementation date.

B. Timeframe for Comments and Replies

Because the deadline of February 16, 1996 for implementation of intraLATA 1+ presubscription is fast approaching, the Commission will establish a shortened comment period in this matter. The Commission will require that all comments be submitted by December 8, 1995, and all reply comments be submitted by December 18, 1995.

ORDER

1. US WEST shall provide, in a mailing separate from billings, notices to all its customers regarding forthcoming intraLATA 1+ competition, in a form detailed in this Order and shown at Attachment A.
2. On or before December 8, 1995, interested parties shall submit comments regarding US WEST's proposed business office practices, including answers to the questions listed in this Order. Any parties filing replies shall do so on or before December 18, 1995.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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